

**AGENDA FOR THE
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**AGENDA FOR THE
REGULAR COUNCIL MEETING OF
TUESDAY, JUNE 25, 2002 AT 10:00 A.M.
CITY ADMINISTRATION BUILDING
COUNCIL CHAMBERS - 12TH FLOOR
202 "C" STREET
SAN DIEGO, CA 92101**

NOTE: The public portion of the meeting will begin at 10:00 a.m. The City Council will meet in Closed Session this morning from 9:00 a.m. - 10:00 a.m. Copies of the Closed Session agenda are available in the Office of the City Clerk.

OTHER LEGISLATIVE MEETINGS

The **SPECIAL REDEVELOPMENT AGENCY** is scheduled to meet today in the Council Chambers. A separate agenda is published for it, and is available in the Office of the City Clerk. For more information, please contact the Redevelopment Agency Secretary at 533-5432.

The **SAN DIEGO HOUSING AUTHORITY** is scheduled to meet today in the Council Chambers. A separate agenda is published for it, and is available in the Office of the City Clerk. For more information, please contact the Housing Authority Secretary at (619) 578-7540.

ITEM-300: ROLL CALL.

NON-AGENDA PUBLIC COMMENT

This portion of the agenda provides an opportunity for members of the public to address the Council on items of interest within the jurisdiction of the Council. (Comments relating to items on today's docket are to be taken at the time the item is heard.)

Time allotted to each speaker is determined by the Chair, however, comments are limited to no more than three (3) minutes **total per subject**, regardless of the number of those wishing to speak. Submit requests to speak to the City Clerk **prior** to the start of meeting. Pursuant to the Brown Act, no discussion or action, other than a referral, shall be taken by Council on any issue brought forth under "Non-Agenda Public Comment."

COUNCIL, CITY ATTORNEY, CITY MANAGER COMMENT

REQUESTS FOR CONTINUANCE

The Council will now consider requests to continue those items scheduled to be heard at this morning's session. Requests to continue items scheduled to be heard at 2:00 p.m. will be taken at the beginning of the afternoon session.

ADOPTION AGENDA, HEARINGS

NOTICED HEARINGS:

ITEM-330: Inn at La Jolla Condominiums.

(Continued from the meeting of 5/28/2002, Item 330, at the request of Councilmember Peters to make changes per his motion.)

Matter of approving, conditionally approving, modifying or denying a Coastal Development Permit, Planned Development Permit, Site Development Permit, Tentative Map and Street Vacations for the demolition of existing motels, restaurants, and commercial structures, the vacation of a portion of Chelsea Avenue, the vacation of Colima Street between La Jolla Boulevard and Chelsea Avenue and the construction of a mixed residential/commercial project on a 4.20 acre property. The project would consist of 14, one, two and three story buildings with subterranean parking to total 265,070 square feet of gross floor area, with 5,900 square feet of commercial use and 259,170 square feet of multi-family residential use including 139 dwelling units. The project site is located at 5390, 5440, 5460 and 5474 La Jolla Boulevard in Zone 4 of the La Jolla Planned District, the RM 5-12, RM-3-7, Coastal Overlay (non appealable area), Coastal Height Limitation Overlay and the Parking Impact Overlay zones of the La Jolla Community Planning area.

(See City Manager's Report CMR-02-114. La Jolla Community Plan area. District-1.)

NOTE: Hearing open. No testimony taken.

CITY MANAGER'S RECOMMENDATION:

Adopt the following resolution in subitem A; adopt the resolution in subitem B to grant the tentative map; and adopt the resolution in subitem C to grant the permits.

Subitem-A: (R-2002-1570)

Adoption of a Resolution certifying that the information contained in Mitigated Negative Declaration No. 41-0481, has been completed in compliance with the

California Environmental Quality Act of 1970 (California Public Resources Code section 21000 et seq.), as amended, and the State guidelines thereto (California Code of Regulations section 15000 et seq.), that the declaration reflects the independent judgment of the City of San Diego as Lead Agency and that the information contained in the report, together with any comments received during the public review process, has been reviewed and considered by this Council in connection with the approval of Coastal Development Permit/Planned Development Permit/La Jolla Planned District Permit, Tentative Map and Street Action No. 1097;

That the City Council finds that project revisions now mitigated potentially significant effects on the environment previously identified in the Initial Study and therefore, that the Mitigated Negative Declaration, is approved;

That pursuant to California Public Resources Code section 21081.6, the City Council adopts the Mitigation Monitoring and Reporting Program, or alterations to implement the changes to the project as required by this body in order to mitigate or avoid significant effects on the environment;

That the City Clerk is directed to file a Notice of Determination [NOD] with the Clerk of the Board of Supervisors for the County of San Diego regarding the above project.

Subitem-B: (R-2002-)

Adoption of a Resolution granting or denying Tentative Map No. 5136 with Street and Easement Vacations for the Inn at La Jolla Condominium project (1097), with appropriate findings to support Council action.

Subitem-C: (R-2002-)

Adoption of a Resolution granting or denying Coastal Development Permit No. 5134, Planned Development Permit No. 5133, and Site Development Permit No. 5135 for the Inn at La Jolla Condominium Project (1097), with appropriate findings to support Council action.

OTHER RECOMMENDATIONS:

Planning Commission on March 7, 2002, voted 5 - 0 to approve; was opposition.

Ayes: Anderson, Lettieri, Brown, Butler, Garcia
Recusing: Schultz
Not present: Stryker

The La Jolla Community Planning Group has recommended approval of this project.

CITY MANAGER SUPPORTING INFORMATION:

The Inn at La Jolla Condominium project proposes 259,170 square feet of residential uses, including 139 multi-family dwelling units, and 5,900 square feet of commercial uses on a 4.20 acre site. The project would also include the vacation of the easterly nine to twelve feet of Chelsea Avenue and all of Colima Street, between La Jolla Boulevard and Chelsea Avenue.

The Development site is bounded by Midway Street to the north, private residential development to the south, La Jolla Boulevard to the east, and Chelsea Avenue to the west. The access to the development would be taken from a thirty-four foot wide driveway on La Jolla Boulevard that is central to the proposed site. The Vesting Tentative Map would divide the project site into two lots.

The proposed project also includes 323 vehicle parking spaces. Ten spaces would be provided on grade for the commercial uses and 313 would be provided in two subterranean garages. The required parking for the development is 282 spaces.

FISCAL IMPACT:

All costs associated with the processing of this application are recovered from a deposit account maintained by the applicant.

Ewell/Christiansen/TEMPLE

LEGAL DESCRIPTION:

The project site is located at 5390, 5440, 5460 and 5474 La Jolla Boulevard, between Midway Street and Sea Ridge Drive, in the La Jolla Community and is more particularly described as Parcel 1, Portion of Block B and Parcel 2, Block A, both of Bird Rock Villas Map No. 1563.

ADOPTION AGENDA, HEARINGS SPECIAL HEARINGS:

ITEM-331: First Amendment to Cooperation Agreement (Naval Training Center
Redevelopment Project).

(See City Manager Report CMR-02-140/RA-02-13. Peninsula Community Area.
District-2.)

CITY MANAGER'S RECOMMENDATION:

Adopt the following resolution:

(R-2002-1796)

Authorizing the City Manager to execute the First Amendment to the Cooperation Agreement between the Redevelopment Agency and the City of San Diego.

NOTE: See the Redevelopment Agency Agenda of 6/25/2002 for a companion item.

ADOPTION AGENDA, HEARINGS

NOTICED HEARINGS:

ITEM-332: Four actions related to the Establishment of Community Facilities District No. 3 - Liberty Station.

(See City Manager Report CMR-02-096. Peninsula Community Planning Area. District-2.)

CITY MANAGER'S RECOMMENDATION:

Adopt the following resolutions in Subitems A, B, and C; introduce the ordinance in Subitem D:

Subitem-A: (R-2002-1725)

Adoption of a Resolution establishing Community Facilities District No. 3 (Liberty Station) and designating improvement areas, authorizing the levy of special taxes, and calling elections therein.

Subitem-B: (R-2002-1724)

Adoption of a Resolution determining the necessity to incur bonded indebtedness of Community Facilities District No. 3 (Liberty Station) and calling elections therein.

Subitem-C: (R-2002-1726)

Adoption of a Resolution certifying the results of the June 25, 2002 Special Tax and Bond Election.

Subitem-D (O-2002-148)

Introduction of an Ordinance authorizing the levy of a special tax within each of Improvement Areas No. 1 and 2 of such District.

CITY MANAGER SUPPORTING INFORMATION:

On May 7, 2002, the City Council adopted Resolution Numbers R-296472 and R-296473, which declared its intention to establish Community Facilities District No. 3 (Liberty Station) (the "District") and to incur bonded indebtedness within each of proposed Improvement Area Nos. 1 and 2 within the District, in a maximum aggregate principal amount not to exceed \$30 million to finance the acquisition of public facilities and related incidental expenses and costs of forming and administering the District. The resolution also designated the boundaries of the proposed District, identified the types and estimated costs of public facilities to be financed through the District, declared the intention to levy special taxes within the District, approved the Rate and Method of Apportionment of special taxes for Improvement Areas Nos. 1 and 2, approved the Purchase & Finance Agreement between the City and McMillin NTC, LLC, and established a 4 to 1 value-to-lien ratio for a first series of bonds unless, at the time of the bond sale, the security behind the payment of the special taxes and assurances provided by the developer to the City with respect to project completion offset the concentration of risk. The resolutions also set the time and place of public hearing on the establishment of the District and the necessity to incur indebtedness as June 25, 2002, in the Council Chambers. (See Report No. 02-096).

At the noticed public hearing, the City Council will be asked to hear testimony for or against formation of the District. The City Council will then declare the public hearing closed and, if fewer than 50% of the land owners within the proposed District protest formation, will be asked to adopt the following: a) a resolution declaring and establishing the formation of the District and authorizing the submittal of the levy of special taxes; and b) a resolution declaring the necessity to incur bonded indebtedness and submitting a proposition to the qualified voters in the District. If the City Council adopts the above resolutions, the City Clerk will be asked to conduct a special election among the qualified district voters. As the time of the public hearing, qualified district voters are anticipated to be a combination of the City, the Redevelopment Agency, and McMillin NTC, LLC and its subsidiaries. Upon completion of the special election, which would take place at the same City Council meeting, the results will be tallied and certified. Upon a favorable election, the City Council will be asked to adopt the following: c) a resolution certifying the results of the special tax and bond authorization election for the District; and d) an ordinance authorizing the levy of a special tax in the District. A proposed First Amendment to the Cooperation Agreement between the City and the Redevelopment Agency will also be required to implement the financing as proposed and will be presented to the City Council and the Redevelopment Agency the same day.

If these proceedings are successful, it is anticipated that bonds may be issued in two series. The first series, estimated at approximately \$12.8 million, may be issued in calendar year 2003, and the second series, estimated at approximately \$12.8 million, could occur later in the redevelopment process, assuming development takes place as projected and there is sufficient value to support another series of bonds. City staff would return to the City Council prior to each proposed sale of bonds to seek approval of various financing documents.

FISCAL IMPACT:

All costs related to determining financial feasibility of the proposed District have been funded by McMillin NTC, LLC. If the District is formed and bonds are issued, all costs related to financing public facilities and all incidental expenses related to forming and administering the District will be borne by the District. The maximum aggregate principal amount of bonds that may be issued in the future will not exceed \$30 million. If both series of bonds are issued, annual debt service would approximate \$2 million and would be covered by special taxes collected from owners of taxable property interests within the District.

Frazier/Vattimo/RLD

NOTE: See the Redevelopment Agency Agenda of 6/25/2002 for a companion item.

ADOPTION AGENDA, HEARINGS

NOTICED HEARINGS:

ITEM-333: Two actions related to Torrey Highlands - Amendment to the Public Facilities Financing Plan and Facilities Benefit Assessment (FBA) - FY2002.

(See City Manager's Report CMR-02-097; Public Facilities Financing Plan and FBA, Fiscal Year 2002, August 2001, Draft revisions - April 2002. Torrey Highlands Community Area. District-1.)

TODAY'S ACTIONS ARE:

Adopt the following resolutions:

Subitem-A: (R-2002-1513)

Designating an area of benefit in Torrey Highlands and the boundaries thereof, confirming the description of Public Facilities Projects, the Community Financing Plan and Capital Improvement Program with respect to Public Facilities Projects, the method for apportioning the costs of the Public Facilities Projects among the parcels within the area of benefit and the amount of the Facilities Benefit Assessments charged to each such parcel, the basis and methodology for assessing and levying discretionary automatic annual increases in Facilities Benefit Assessments, and proceedings thereto, and ordering of proposed Public Facilities Project in the matter of Torrey Highlands Facilities Benefit Assessment Area.

Subitem-B: (R-2002-1512)

Declaring that the assessment fee schedule contained in the Torrey Highlands Public Facilities Financing Plan, Fiscal Year 2002, as adopted and approved on July 17, 2001, by Resolution No. R-295159 and amended on May 21, 2002, by

Resolution No. R-296532, is an appropriate and applicable development impact fee schedule [DIF] for all properties within the Torrey Highlands Community;

Declaring that the Docket Supporting Information and the text contained in the Torrey Highlands Ranch Public Facilities Financing Plan, Fiscal Year 2002, with amendments, are incorporated by reference into this Resolution as support and justification for satisfaction of findings required pursuant to California Government Code sections 66001(a) and 66001(b) for imposition of DIFs. Specifically, it is determined and found that this documentation:

1. Identifies the purpose of the DIF;
2. Identifies the use to which the DIF is to be put;
3. Demonstrates how there is a reasonable relationship between the DIF's use and the type of development project on which the DIF is imposed; and
4. Demonstrates how there is a reasonable relationship between the need for the public facility and the type of development project on which the DIF is imposed.

LAND USE AND HOUSING COMMITTEE'S RECOMMENDATION:

On 5/1/2002, LU&H voted 5-0 to approve the City Manager's recommendation. (Councilmembers Peters, Wear, Stevens, Maienschein, and Frye voted yea.)

ADOPTION AGENDA, HEARINGS
NOTICED HEARINGS:

ITEM-334: Two actions related to North University City Public Facilities Financing Plan and Facilities Benefit Assessment (FBA) - FY2003.

(See City Manager's Report CMR-02-098; Public Facilities Financing Plan and FBA, Fiscal Year 2003, April 2002 2nd Draft; Errata. North University City Community Area. District-1.)

TODAY'S ACTIONS ARE:

Adopt the following resolutions:

Subitem-A: (R-2002-1517 Cor. Copy)

Designating an area of benefit in North University City and the boundaries thereof, confirming the description of Public Facilities Projects, the Community Financing Plan and Capital Improvement Program with respect to Public Facilities Projects, the method for apportioning the costs of the Public Facilities Projects

among the parcels within the area of benefit and the amount of the Facilities Benefit Assessments charged to each such parcel, the basis and methodology for assessing and levying discretionary automatic annual increases in Facilities Benefit Assessments, and proceedings thereto, and ordering of proposed Public Facilities Project in the matter of North University City Facilities Benefit Assessment Area.

Subitem-B: (R-2002-1557)

Declaring that the assessment fee schedule contained in the North University City Public Facilities Financing Plan, as adopted and approved on May 21, 2002, by Resolution No. R-296530, is an appropriate and applicable development impact fee schedule [DIF] for all properties within the North University City portion of the University City Community Planning area;

Declaring that the Docket Supporting Information and the text contained in the North University City Public Facilities Financing Plan are incorporated by reference into this resolution as support and justification for satisfaction of findings required pursuant to California Government Code sections 66001(a) and 66001(b) for imposition of DIFs. Specifically, it is determined and found that this documentation:

1. Identifies the purpose of the DIF;
2. Identifies the use to which the DIF is to be put;
3. Demonstrates how there is a reasonable relationship between the DIF's use and the type of development project on which the DIF is imposed; and
4. Demonstrates how there is a reasonable relationship between the need for the public facility and the type of development project on which the DIF is imposed.

LAND USE AND HOUSING COMMITTEE'S RECOMMENDATION:

On 5/1/2002, LU&H voted 5-0 to approve the City Manager's recommendation. (Councilmembers Peters, Wear, Stevens, Maienschein, and Frye voted yea.)

ADOPTION AGENDA, HEARINGS **NOTICED HEARINGS:**

ITEM-335: Two actions related to Pacific Highlands Ranch Public Facilities Financing Plan and Facilities Benefit Assessment (FBA) - FY2003.

(See City Manager's Report CMR-02-103; Public Facilities Financing Plan and FBA, Fiscal Year 2003, April 2002 Draft. Pacific Highlands Ranch Community

Area. District-1.)

TODAY'S ACTIONS ARE:

Adopt the following resolutions:

Subitem-A: (R-2002-1533 Cor. Copy)

Designating an area of benefit in Pacific Highlands Ranch and the boundaries thereof, confirming the description of Public Facilities Projects, the Community Financing Plan and Capital Improvement Program with respect to Public Facilities Projects, the method for apportioning the costs of the Public Facilities Projects among the parcels within the area of benefit and the amount of the Facilities Benefit Assessments charged to each such parcel, the basis and methodology for assessing and levying discretionary automatic annual increases in Facilities Benefit Assessments, and proceedings thereto, and ordering of proposed Public Facilities Project in the matter of Pacific Highlands Ranch Facilities Benefit Assessment Area.

Subitem-B: (R-2002-1532 Cor. Copy)

Declaring that the assessment fee schedule contained in the Pacific Highlands Ranch Public Facilities Financing Plan, as adopted and approved on May 21, 2002, by Resolution No. R-296528, is an appropriate and applicable development impact fee schedule [DIF] for all properties within the Pacific Highlands Ranch portion of the Pacific Highlands Ranch Community Planning area;

Declaring that the Docket Supporting Information and the text contained in the Pacific Highlands Ranch Public Facilities Financing Plan are incorporated by reference into this resolution as support and justification for satisfaction of findings required pursuant to California Government Code sections 66001(a) and 66001(b) for imposition of DIFs. Specifically, it is determined and found that this documentation:

1. Identifies the purpose of the DIF;
2. Identifies the use to which the DIF is to be put;
3. Demonstrates how there is a reasonable relationship between the DIF's use and the type of development project on which the DIF is imposed; and
4. Demonstrates how there is a reasonable relationship between the need for the public facility and the type of development project on which the DIF is imposed.

LAND USE AND HOUSING COMMITTEE'S RECOMMENDATION:

On 5/1/2002, LU&H voted 5-0 to approve the City Manager's recommendation.

(Councilmembers Peters, Wear, Stevens, Maienschein, and Frye voted yea.)

ADOPTION AGENDA, HEARINGS

NOTICED HEARINGS:

ITEM-336: Carroll Canyon Business Park.

Adoption of the ordinance which was introduced on 12/12/2000.

Note: This matter is expected to be returned to the City Manager and re-docketed at a future date in order to comply with public noticing requirements.

(Mira Mesa Community Plan area. District-5.)

ADOPTION AGENDA, HEARINGS

SPECIAL HEARINGS:

ITEM-337: Approval to Participate in a Model School Project via a Joint Powers Agreement.

(See Housing Authority Report HAR02-006. District-3.)

SAN DIEGO HOUSING COMMISSION'S RECOMMENDATION:

Adopt the following resolution:

(R-2002-1788)

Authorizing the City Manager to execute a joint-powers agreement with the Housing Authority, District and Agency, substantially in the form of and on the terms set forth in the "Joint Exercise of Powers Agreement Creating the San Diego Model School Development Agency;"

Declaring that the Redevelopment Agency approves seeking special legislation from the California State Legislature to amend the Joint Exercise of Powers Act to provide additional powers to the joint-powers agency to implement the City Heights Model School Project and potentially other similar projects.

NOTE: See the Housing Authority Agenda of 6/25/2002 for a companion item.

ADOPTION AGENDA, HEARINGS
SPECIAL HEARINGS:

ITEM-338: Issuance of Multifamily Housing Revenue Bonds for Logan Square Apartments.

(Encanto Community Area. District-2.)

SAN DIEGO HOUSING COMMISSION'S RECOMMENDATION:

Adopt the following resolution:

(R-2002-1742)

Approving the issuance of revenue bonds by the Housing Authority of the City of San Diego for the repayment of Bond Anticipation Notes issued for the acquisition and rehabilitation of a 170-unit multifamily rental housing facility for the Logan Square Apartments located at 4742 Solola Avenue pursuant to Section 147(f) of the Internal Revenue Code of 1986.

NOTE: See the Housing Authority Agenda of 6/25/2002 for a companion item.

ADOPTION AGENDA, DISCUSSION, OTHER LEGISLATIVE ITEMS
RESOLUTIONS:

ITEM-339: Ratify the Crossroads Development Project, Project Area Committee Elections of May 15, 2002 and May 29, 2002.

(See City Manager Report CMR-02-145; College and Mid-City (City Heights and Eastern) Community Areas. Districts-4 and 7.)

CITY MANAGER'S RECOMMENDATION:

Adopt the following resolution:

(R-2002-1744)

Declaring that the two challenges to the election of the PAC have been reviewed and determined to be without merit;

Declaring that all of the "Procedures for Formation and Election of a Project Area Committee" which were approved by the City Council on April 2, 2002, were followed in connection with the election of the Project Area Committee which was held on May 15, 2002, and in connection with the Run-Off election which

was held on May 29, 2002.

ADOPTION AGENDA, DISCUSSION, OTHER LEGISLATIVE ITEMS
RESOLUTIONS:

ITEM-340: Two actions related to Business Improvement District Budgets for Fiscal Year 2003.

(Mid-City, Center City, Uptown, Greater North Park, Old San Diego, Ocean Beach, La Jolla, Southeastern San Diego, College Area, Midway, Mission Beach, Pacific Beach, and San Ysidro Community Areas. Districts-1, 2, 3, 4, 6, 7, and 8.)

CITY MANAGER'S RECOMMENDATION:

Adopt the following resolutions:

Subitem-A: (R-2002-1688)

Accepting the budget report for each Business Improvement District for July 1, 2002, through June 30, 2003 (FY 2003).

Subitem-B: (R-2002-1689)

Resolution of Intention to levy an annual assessment within previously established Business Improvement Districts for July 1, 2002, through June 30, 2003 (FY 2003) and setting Tuesday, July 9, 2002 as the noticed public hearing for that purpose.

CITY MANAGER SUPPORTING INFORMATION:

Business Improvement Districts (BIDS) are authorized by State law to assess benefitted businesses for the cost of certain activities. These activities are generally promotional in nature. Once a BID is established the City collects the assessments and disburses them to an appropriate entity representing the district pursuant to an annual operating agreement. There are currently 18 active districts in the City of San Diego: Adams Avenue, City Heights, College Area, Diamond, Downtown, El Cajon Boulevard Central, El Cajon Boulevard Gateway, Gaslamp, Hillcrest, La Jolla, Little Italy, Midway, Mission Hills, North Park, Ocean Beach, Old Town, Pacific Beach and San Ysidro.

State law requires that the City Council annually adopt a budget for each BID and hold a public hearing to levy appropriate assessments. The actions being taken today are: accept the budget reports and set Tuesday, July 9, 2002 for the public hearing to levy the proposed assessment for each BID for FY 2003.

At the public hearing, the City Council may confirm the acceptance of the budget reports, adopt the resolution authorizing the assessments and authorize the City Manager to enter into agreements with the respective associations to manage the BIDs.

FISCAL IMPACT:

Approximately \$1.1 million of BID assessments will be collected in FY 2003 by City on behalf of BIDs and disbursed back to the BIDs. There is no net fiscal impact.

Herring/Cunningham/MDB

**ADOPTION AGENDA, DISCUSSION, OTHER LEGISLATIVE ITEMS
RESOLUTIONS:**

ITEM-341: Community Facilities District No. 4 (Black Mountain Ranch Villages) -
Modification of the Rate and Method of Apportionment of Special Tax and
Increasing the Bond Authorization for the District.

(Black Mountain Ranch - Subarea I of the North City Future Urbanizing Area.
District-1.)

CITY MANAGER'S RECOMMENDATION:

Adopt the following resolution:

(R-2002-1730)

Resolution of Consideration of the Council of City of San Diego, California
acting in its capacity as the Legislative Body of Community Facilities District No.
4 (Black Mountain Ranch Villages) to alter the existing rate and method of
apportionment of the special tax and increase the authorized bonded indebtedness
of the District.

CITY MANAGER SUPPORTING INFORMATION:

On October 16, 2000, the City Council adopted Resolution Numbers R-293975 and R-293976, which established, pursuant to the provisions of the Mello-Roos Community Facilities Act of 1982 (the "Act"), the City of San Diego's intention to form Community Facilities District No. 4 (Black Mountain Ranch Villages) (the "District") and authorized a maximum bonded indebtedness in the amount of \$25,000,000. In addition, subsequent actions formally established the District and approved the Rate and Method of Apportionment of Special Tax (the "Rate and Method") to be levied within the District to pay debt service on any subsequent bond issuance.

In accordance with the Act, an owner of more than 25% of the property within the District has filed a written petition with the District requesting that the Rate and Method be modified, and the maximum bonded indebtedness for the District be increase to \$30,000,000.

The amendment to the Rate and Method would create two tax zones, to provide for a more equitable spread of the special taxes in recognition of the two different residential product types to be constructed within the District. In addition, in conjunction with modifications to the special tax rates within an overlapping Poway Unified School District Community Facilities District, this amendment would result in a reduction of the overall total effective tax rates to approximately 1.85% of the estimated selling prices of the residential units. Council Policy 800-03 provides that, for residential projects, total taxes and special assessments should not exceed 2.00% of the assessed value of the property.

The proposed increase in the authorized maximum bonded indebtedness of the District would cover increases in the estimated costs of the public facilities to be financed by the District, as reflected in the pending update to the Public Facilities Financing Plan for this area. This increase in authorized bonded indebtedness can be accomplished while maintaining the total effective tax rate at approximately 1.85%, as referenced above.

It is recommended that the City Council adopt the above referenced resolution. City staff, in conjunction with the City's financing team for the project, have determined that the proposed modifications should provide a more equitable tax treatment for the various categories of taxable property, and will help ensure that the requisite infrastructure can be built in a timely manner.

FISCAL IMPACT:

None. All costs related to this action have been funded by property owners within Community Facilities District No. 4.

Frazier/Vattimo/MSI

NON-DOCKET ITEMS

ADJOURNMENT IN HONOR OF APPROPRIATE PARTIES

ADJOURNMENT